

1 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203  
2 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
3 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section  
4 431 of P.L. 107-16, and section 101 of P.L. 107-147, and as amended by P.L. 108-27,  
5 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section  
6 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L.  
7 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403  
8 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,  
9 and 910 of P.L. 108-357, and as indirectly affected in the provisions applicable to this  
10 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
11 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,  
12 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections  
13 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
14 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
15 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
16 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.  
17 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,  
18 P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L.  
19 107-116, P.L. 107-134, P.L. 107-147, excluding section 101 of P.L. 107-147, P.L.  
20 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding  
21 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.  
22 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.  
23 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
24 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910  
25 of P.L. 108-357. The Internal Revenue Code applies for Wisconsin purposes at the

1 same time as for federal purposes. Amendments to the Internal Revenue Code  
2 enacted after December 31, 2002, do not apply to this paragraph with respect to  
3 taxable years beginning after December 31, 2002, and before January 1, 2004,  
4 except that changes to the Internal Revenue Code made by P.L. 108-27, excluding  
5 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.  
6 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.  
7 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
8 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910  
9 of P.L. 108-357, and changes that indirectly affect the provisions applicable to this  
10 subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27,  
11 P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section  
12 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections  
13 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections  
14 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes  
15 at the same time as for federal purposes.

16 \***-0302/4.34\*** SECTION 1339. 71.22 (4m) (o) of the statutes is created to read:

17 71.22 (4m) (o) For taxable years that begin after December 31, 2003, and  
18 before January 1, 2005, “Internal Revenue Code,” for corporations that are subject  
19 to a tax on unrelated business income under s. 71.26 (1) (a), means the federal  
20 Internal Revenue Code as amended to December 31, 2003, excluding sections 103,  
21 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and  
22 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of  
23 P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573,  
24 section 431 of P.L. 107-16, section 101 of P.L. 107-147, sections 106, 201, and 202  
25 of P.L. 108-27, section 109 of P.L. 108-121, and section 1201 of P.L. 108-173, and

1 as amended by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306,  
2 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101,  
3 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L. 108-476, and as  
4 indirectly affected in the provisions applicable to this subchapter by P.L. 99-514,  
5 P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
6 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
7 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113,  
8 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L.  
9 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202  
10 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L.  
11 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.  
12 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L.  
13 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
14 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding section 101 of P.L.  
15 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27,  
16 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding  
17 section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173,  
18 P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401,  
19 and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336,  
20 337, 909, and 910 of P.L. 108-357, and P.L. 108-476. The Internal Revenue Code  
21 applies for Wisconsin purposes at the same time as for federal purposes.  
22 Amendments to the Internal Revenue Code enacted after December 31, 2003, do  
23 not apply to this paragraph with respect to taxable years beginning after  
24 December 31, 2003, and before January 1, 2005, except that changes to the  
25 Internal Revenue Code made by P.L. 108-203, P.L. 108-218, P.L. 108-311,

1 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108–311, P.L. 108–357,  
2 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357, and P.L.  
3 108–476, and changes that indirectly affect the provisions applicable to this  
4 subchapter made by P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections  
5 306, 307, 308, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections  
6 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357, and P.L. 108–476, apply for  
7 Wisconsin purposes at the same time as for federal purposes.

8 \*–0302/4.35\* SECTION 1340. 71.22 (4m) (p) of the statutes is created to read:

9 71.22 (4m) (p) For taxable years that begin after December 31, 2004, “Internal  
10 Revenue Code,” for corporations that are subject to a tax on unrelated business  
11 income under s. 71.26 (1) (a), means the federal Internal Revenue Code as amended  
12 to December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102–227, sections  
13 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b),  
14 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, sections 1, 3, 4, and 5 of P.L.  
15 106–519, sections 162 and 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L.  
16 107–16, section 101 of P.L. 107–147, sections 106, 201, and 202 of P.L. 108–27, section  
17 1201 of P.L. 108–173, sections 306, 308, 401, and 403 (a) of P.L. 108–311, and sections  
18 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357, and as indirectly affected in  
19 the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L.  
20 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L.  
21 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.  
22 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
23 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.  
24 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
25 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.

1 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,  
2 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding  
3 section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147,  
4 excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L.  
5 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L.  
6 108–121, P.L. 108–173, excluding section 1201 of P.L. 108–173, P.L. 108–203, P.L.  
7 108–218, P.L. 108–311, excluding sections 306, 308, 401, and 403 (a) of P.L. 108–311,  
8 P.L. 108–357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L.  
9 108–357, and P.L. 108–476. The Internal Revenue Code applies for Wisconsin  
10 purposes at the same time as for federal purposes. Amendments to the Internal  
11 Revenue Code enacted after December 31, 2004, do not apply to this paragraph with  
12 respect to taxable years beginning after December 31, 2004.

13 **\*–1656/3.25\* SECTION 1341.** 71.22 (6m) of the statutes is amended to read:

14 71.22 (6m) “Member” does not include a member of a limited liability company  
15 treated as a corporation under sub. (4) (1k).

16 **\*–1656/3.26\* SECTION 1342.** 71.22 (7m) of the statutes is amended to read:

17 71.22 (7m) “Partner” does not include a partner of a publicly traded  
18 partnership treated as a corporation under sub. (4) (1k).

19 **\*–1656/3.27\* SECTION 1343.** 71.22 (9g) of the statutes is created to read:

20 71.22 (9g) For purposes of s. 71.25 (9) (df), (dg), and (dh), “state” means a state  
21 of the United States, the District of Columbia, the commonwealth of Puerto Rico, or  
22 any territory or possession of the United States, unless the context requires that  
23 “state” means only the state of Wisconsin.

24 **\*–1656/3.28\* SECTION 1344.** 71.25 (9) (d) of the statutes is repealed.

25 **\*–1656/3.29\* SECTION 1345.** 71.25 (9) (db) of the statutes is created to read:

1           71.25 (9) (db) Gross receipts from the lease, rental, or licensing of real property  
2 owned by the taxpayer and the sublease of real property are in this state if the real  
3 property is located in this state.

4           \***-1656/3.30**\* **SECTION 1346.** 71.25 (9) (dd) of the statutes is created to read:

5           71.25 (9) (dd) 1. Except as provided in subd. 2., gross receipts from the lease,  
6 rental, or licensing of tangible personal property owned by the taxpayer and the  
7 sublease of tangible personal property are in this state if the property is located in  
8 this state during the entire period of lease, rental, licensing, sublease, or other use.  
9 If the property is used in and outside this state during the period of lease, rental,  
10 licensing, or sublease, gross receipts are in this state to the extent that the property  
11 is used in this state. The proportion of use in this state is determined by multiplying  
12 the gross receipts from the lease, rental, licensing, sublease, or other use of the  
13 property by a fraction having as a numerator the amount of time the property was  
14 used in this state in the taxable year and having as a denominator the total time the  
15 property was used in all states having jurisdiction to impose an income tax on the  
16 taxpayer in the taxable year.

17           2. Gross receipts from the lease, rental, or licensing of moving property,  
18 including motor vehicles, rolling stock, aircraft, vessels, or mobile equipment, owned  
19 by the taxpayer and the sublease of moving property are in this state to the extent  
20 that the property is used in this state. The proportion of use of moving property in  
21 this state is determined as follows:

22           a. The proportion of use of a motor vehicle or rolling stock in this state is  
23 determined by multiplying the gross receipts from the lease, rental, licensing, or  
24 sublease of the motor vehicle or rolling stock by a fraction having as a numerator the  
25 number of miles traveled within this state by the motor vehicle or rolling stock while

1 leased, rented, licensed, or subleased in the taxable year and having as a  
2 denominator the total number of miles traveled by the motor vehicle or rolling stock  
3 while leased, rented, licensed, or subleased in the taxable year.

4 b. The proportion of use of an aircraft in this state is determined by multiplying  
5 the gross receipts from the lease, rental, licensing, or sublease of the aircraft by a  
6 fraction having as a numerator the number of takeoffs and landings of the aircraft  
7 in this state while leased, rented, licensed, or subleased in the taxable year and  
8 having as a denominator the total number of takeoffs and landings of the aircraft  
9 while leased, rented, licensed, or subleased in the taxable year.

10 c. The proportion of use of a vessel or mobile equipment in this state is  
11 determined by multiplying the gross receipts from the lease, rental, licensing, or  
12 sublease of the vessel or mobile equipment by a fraction having as a numerator the  
13 number of days that the vessel or mobile equipment is in this state while leased,  
14 rented, licensed, or subleased in the taxable year and having as a denominator the  
15 total number of days that the vessel or mobile equipment is leased, rented, licensed,  
16 or subleased in the taxable year.

17 d. If the taxpayer is unable to determine the use of moving property under subd.  
18 2. a., b., or c. while the property is leased, rented, licensed, or subleased in the taxable  
19 year, the moving property is conclusively deemed to be used in the state in which the  
20 property is located at the time that the lessee, renter, licensee, or sublessee takes  
21 possession of the property in the taxable year.

22 **\*-1656/3.31\* SECTION 1347.** 71.25 (9) (df) of the statutes is created to read:

23 71.25 (9) (df) 1. Gross receipts from the use of computer software are in this  
24 state if the purchaser or licensee uses the computer software at a location in this  
25 state.

1           2. Computer software is used at a location in this state if the purchaser or  
2       licensee uses the computer software in the regular course of business operations in  
3       this state, for personal use in this state, or if the purchaser or licensee is an individual  
4       whose domicile is in this state. If the purchaser or licensee uses the computer  
5       software in more than one state, the gross receipts shall be divided among those  
6       states having jurisdiction to impose an income tax on the taxpayer in proportion to  
7       the use of the computer software in those states. To determine computer software  
8       use in this state, the department may consider the number of users in each state  
9       where the computer software is used, the number of site licenses or workstations in  
10      this state, and any other factors that reflect the use of computer software in this  
11      state.

12           3. If the taxpayer is not subject to income tax in the state in which the gross  
13      receipts are considered received under this paragraph, but the taxpayer's  
14      commercial domicile is in this state, 50 percent of those gross receipts shall be  
15      included in the numerator of the sales factor.

16           \*~~1656/3.32~~\* SECTION 1348. 71.25 (9) (dg) of the statutes is created to read:

17           71.25 (9) (dg) 1. Gross royalties and other gross receipts received for the sale  
18      or use of intangible property, including, but not limited to, patents, copyrights,  
19      trademarks, trade names, service names, franchises, licenses, plans, specifications,  
20      blueprints, processes, techniques, formulas, designs, layouts, patterns, drawings,  
21      manuals, technical know-how, contracts, and customer lists, are in this state if the  
22      user, purchaser, or licensee uses the intangible property at a location in this state.

23           2. Intangible property is used at a location in this state if the user, purchaser,  
24      or licensee uses the property in the operation of a trade or business at a location in  
25      this state, for personal use in this state, or if the user, purchaser, or licensee is an



1 individual whose domicile is in this state. If the user, purchaser, or licensee uses the  
2 intangible property in more than one state, the gross royalties and other gross  
3 receipts from the sale or use of the intangible property shall be divided among those  
4 states having jurisdiction to impose an income tax on the taxpayer in proportion to  
5 the use of the intangible property in those states. To determine intangible property  
6 use in this state, the department may consider the number of licensed sites in each  
7 state, the volume of property manufactured, produced, or sold at locations in this  
8 state, or any other factors that reflect the use of the intangible property in this state.

9 3. If the taxpayer is not subject to income tax in the state in which the gross  
10 royalties or other gross receipts are considered received under this paragraph, but  
11 the taxpayer's commercial domicile is in this state, 50 percent of those gross royalties  
12 or other gross receipts shall be included in the numerator of the sales factor.

13 **\*-1656/3.33\* SECTION 1349.** 71.25 (9) (dh) of the statutes is created to read:

14 71.25 (9) (dh) 1. Gross receipts from services are in this state if the purchaser  
15 of the service received the benefit of the service in this state.

16 2. The benefit of a service is received in this state if any of the following applies:

17 a. The service relates to real property that is located in this state.

18 b. The service relates to tangible personal property that is located in this state  
19 at the time that the service is received or tangible personal property that is delivered  
20 directly or indirectly to customers in this state.

21 c. The service is provided to an individual who is physically present in this state  
22 at the time that the service is received.

23 d. The service is provided to a person engaged in a trade or business in this state  
24 and relates to that person's business in this state.

1           3. If the purchaser of a service receives the benefit of a service in more than one  
2 state, the gross receipts from the performance of the service are included in the  
3 numerator of the sales factor according to the portion of the service received in this  
4 state.

5           4. If the taxpayer is not subject to income tax in the state in which the benefit  
6 of the service is received, the benefit of the service is received in this state to the  
7 extent that the taxpayer's employees or representatives performed services from a  
8 location in this state. Fifty percent of the taxpayer's receipts that are considered  
9 received in this state under this paragraph shall be included in the numerator of the  
10 sales factor.

11           **\*-1656/3.34\* SECTION 1350.** 71.25 (9) (dm) of the statutes is created to read:

12           71.25 (9) (dm) If the income from sales, other than sales of tangible personal  
13 property, properly assignable to this state cannot be ascertained with reasonable  
14 certainty by the methods under pars. (db), (dd), (df), (dg), and (dh), the department  
15 may promulgate rules that specify how the income shall be apportioned.

16           **\*-1656/3.35\* SECTION 1351.** 71.25 (9) (e) 12. of the statutes is created to read:

17           71.25 (9) (e) 12. Gross receipts from the sale, licensing, or use of intangible  
18 property in the ordinary course of the taxpayer's trade or business.

19           **\*-1656/3.36\* SECTION 1352.** 71.25 (9) (f) 5. of the statutes is amended to read:

20           71.25 (9) (f) 5. Proceeds Notwithstanding any other provision of this  
21 subsection, proceeds and gain or loss from the redemption of securities.

22           **\*-1656/3.37\* SECTION 1353.** 71.25 (9) (f) 7. of the statutes is amended to read:

23           71.25 (9) (f) 7. Gross receipts and gain or loss from the sale of intangible assets,  
24 except those under par. (e) 1. and 12.

25           **\*-1656/3.38\* SECTION 1354.** 71.25 (9) (f) 9. of the statutes is amended to read:

1           71.25 (9) (f) 9. Gross Notwithstanding any other provision of this subsection,  
2 gross receipts and gain or loss from the sale or exchange of securities.

3           \***-0302/4.36\*** SECTION 1355. 71.26 (2) (b) 10. of the statutes is repealed.

4           \***-0302/4.37\*** SECTION 1356. 71.26 (2) (b) 11. of the statutes is repealed.

5           \***-0302/4.38\*** SECTION 1357. 71.26 (2) (b) 12. of the statutes is amended to read:

6           71.26 (2) (b) 12. For taxable years that begin after December 31, 1996, and  
7 before January 1, 1998, for a corporation, conduit or common law trust which  
8 qualifies as a regulated investment company, real estate mortgage investment  
9 conduit, real estate investment trust or financial asset securitization investment  
10 trust under the Internal Revenue Code as amended to December 31, 1996, excluding  
11 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),  
12 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
13 1605 (d) of P.L. 104–188, and as amended by P.L. 105–33, P.L. 105–34, P.L. 105–206,  
14 P.L. 105–277, P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of P.L.  
15 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L.  
16 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, P.L.  
17 108–121, excluding section 109 of P.L. 108–121, P.L. 108–311, excluding sections 306,  
18 307, 308, 401, and 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101,  
19 201, 244, 336, 337, 909, and 910 of P.L. 108–357, and as indirectly affected in the  
20 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647,  
21 P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,  
22 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.  
23 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
24 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188,  
25 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.

104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, “net income” means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit or trust as determined under the Internal Revenue Code as amended to December 31, 1996, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188 and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections

1 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L.  
2 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L.  
3 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding  
4 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and  
5 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L.  
6 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
7 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910  
8 of P.L. 108-357, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats.,  
9 is required to be depreciated for taxable years 1983 to 1986 under the Internal  
10 Revenue Code as amended to December 31, 1980, shall continue to be depreciated  
11 under the Internal Revenue Code as amended to December 31, 1980, and except that  
12 the appropriate amount shall be added or subtracted to reflect differences between  
13 the depreciation or adjusted basis for federal income tax purposes and the  
14 depreciation or adjusted basis under this chapter of any property disposed of during  
15 the taxable year. The Internal Revenue Code as amended to December 31, 1996,  
16 excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171  
17 (d), 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311,  
18 and 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L.  
19 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of  
20 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
21 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
22 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
23 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
24 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the  
25 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,

1 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
2 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
3 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
4 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
5 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
6 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-206, P.L. 105-277, P.L.  
7 106-36, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16,  
8 excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections  
9 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109  
10 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of  
11 P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and  
12 910 of P.L. 108-357, applies for Wisconsin purposes at the same time as for federal  
13 purposes. Amendments to the Internal Revenue Code enacted after  
14 December 31, 1996, do not apply to this subdivision with respect to taxable years  
15 that begin after December 31, 1996, and before January 1, 1998, except that  
16 changes to the Internal Revenue Code made by P.L. 105-33, P.L. 105-34, P.L.  
17 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of  
18 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
19 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
20 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
21 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
22 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and changes that indirectly affect  
23 the provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34, P.L.  
24 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of  
25 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.

1 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
2 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
3 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
4 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes at the  
5 same time as for federal purposes.

6 **\*-0302/4.39\* SECTION 1358.** 71.26 (2) (b) 13. of the statutes is amended to read:

7 71.26 (2) (b) 13. For taxable years that begin after December 31, 1997, and  
8 before January 1, 1999, for a corporation, conduit or common law trust which  
9 qualifies as a regulated investment company, real estate mortgage investment  
10 conduit, real estate investment trust or financial asset securitization investment  
11 trust under the Internal Revenue Code as amended to December 31, 1997, excluding  
12 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
13 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
14 1605 (d) of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L.  
15 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of  
16 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
17 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
18 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
19 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
20 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the  
21 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647,  
22 P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
23 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
24 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
25 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,

1 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L.  
2 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L.  
3 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554, excluding sections 162 and 165 of  
4 P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L.  
5 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, P.L.  
6 108–121, excluding section 109 of P.L. 108–121, P.L. 108–311, excluding sections 306,  
7 307, 308, 401, and 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101,  
8 201, 244, 336, 337, 909, and 910 of P.L. 108–357, “net income” means the federal  
9 regulated investment company taxable income, federal real estate mortgage  
10 investment conduit taxable income, federal real estate investment trust or financial  
11 asset securitization investment trust taxable income of the corporation, conduit or  
12 trust as determined under the Internal Revenue Code as amended to December 31,  
13 1997, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d),  
14 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204  
15 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 105–178, P.L. 105–206,  
16 P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–554, excluding sections 162 and  
17 165 of P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134,  
18 P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, P.L.  
19 108–121, excluding section 109 of P.L. 108–121, P.L. 108–311, excluding sections 306,  
20 307, 308, 401, and 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101,  
21 201, 244, 336, 337, 909, and 910 of P.L. 108–357, and as indirectly affected in the  
22 provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647,  
23 P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,  
24 excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L.  
25 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.



1 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
2 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
3 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
4 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of  
5 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
6 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
7 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
8 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
9 201, 244, 336, 337, 909, and 910 of P.L. 108-357, except that property that, under s.  
10 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983  
11 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall  
12 continue to be depreciated under the Internal Revenue Code as amended to  
13 December 31, 1980, and except that the appropriate amount shall be added or  
14 subtracted to reflect differences between the depreciation or adjusted basis for  
15 federal income tax purposes and the depreciation or adjusted basis under this  
16 chapter of any property disposed of during the taxable year. The Internal Revenue  
17 Code as amended to December 31, 1997, excluding sections 103, 104, and 110 of P.L.  
18 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66,  
19 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as  
20 amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170,  
21 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding  
22 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and  
23 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109 of P.L.  
24 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
25 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910

1 of P.L. 108–357, and as indirectly affected in the provisions applicable to this  
2 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,  
3 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,  
4 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections  
5 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.  
6 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202  
7 (c), 1204 (f), 1311 and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
8 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.  
9 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16,  
10 excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections  
11 101 and 406 of P.L. 107–147, and P.L. 107–181, P.L. 108–121, excluding section 109  
12 of P.L. 108–121, P.L. 108–311, excluding sections 306, 307, 308, 401, and 403 (a) of  
13 P.L. 108–311, and P.L. 108–357, excluding sections 101, 201, 244, 336, 337, 909, and  
14 910 of P.L. 108–357, applies for Wisconsin purposes at the same time as for federal  
15 purposes. Amendments to the Internal Revenue Code enacted after December 31,  
16 1997, do not apply to this subdivision with respect to taxable years that begin after  
17 December 31, 1997, and before January 1, 1999, except that changes to the Internal  
18 Revenue Code made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.  
19 106–170, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16,  
20 excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections  
21 101 and 406 of P.L. 107–147, and P.L. 107–181, P.L. 108–121, excluding section 109  
22 of P.L. 108–121, P.L. 108–311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
23 108–311, and P.L. 108–357, excluding sections 101, 201, 244, 336, 337, 909, and 910  
24 of P.L. 108–357, and changes that indirectly affect the provisions applicable to this  
25 subchapter made by P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.

1 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16,  
2 excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections  
3 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L. 108-121, excluding section 109  
4 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of  
5 P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and  
6 910 of P.L. 108-357, apply for Wisconsin purposes at the same time as for federal  
7 purposes.

8 \***-0302/4.40\*** SECTION 1359. 71.26 (2) (b) 14. of the statutes is amended to read:

9 71.26 (2) (b) 14. For taxable years that begin after December 31, 1998, and  
10 before January 1, 2000, for a corporation, conduit or common law trust which  
11 qualifies as a regulated investment company, real estate mortgage investment  
12 conduit, real estate investment trust or financial asset securitization investment  
13 trust under the Internal Revenue Code as amended to December 31, 1998, excluding  
14 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
15 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
16 1605 (d) of P.L. 104-188, and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230,  
17 P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding  
18 section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and  
19 406 of P.L. 107-147, P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding section  
20 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a)  
21 of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,  
22 and 910 of P.L. 108-357, and as indirectly affected in the provisions applicable to this  
23 subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140,  
24 P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104,  
25 and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections

1 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.  
2 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202  
3 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
4 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.  
5 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,  
6 P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147,  
7 excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, and P.L. 107–276, P.L.  
8 108–121, excluding section 109 of P.L. 108–121, P.L. 108–311, excluding sections 306,  
9 307, 308, 401, and 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101,  
10 201, 244, 336, 337, 909, and 910 of P.L. 108–357, “net income” means the federal  
11 regulated investment company taxable income, federal real estate mortgage  
12 investment conduit taxable income, federal real estate investment trust or financial  
13 asset securitization investment trust taxable income of the corporation, conduit or  
14 trust as determined under the Internal Revenue Code as amended to December 31,  
15 1998, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d),  
16 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204  
17 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–36, P.L. 106–170,  
18 P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L.  
19 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding  
20 sections 101 and 406 of P.L. 107–147, P.L. 107–181, and P.L. 107–276, P.L. 108–121,  
21 excluding section 109 of P.L. 108–121, P.L. 108–311, excluding sections 306, 307, 308,  
22 401, and 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101, 201, 244,  
23 336, 337, 909, and 910 of P.L. 108–357, and as indirectly affected in the provisions  
24 applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L.  
5 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227,

1 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
2 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
3 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
4 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
5 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
6 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections  
7 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L.  
8 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181,  
9 and P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311,  
10 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357,  
11 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, except that  
12 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated  
13 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to  
14 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
15 Code as amended to December 31, 1980, and except that the appropriate amount  
16 shall be added or subtracted to reflect differences between the depreciation or  
17 adjusted basis for federal income tax purposes and the depreciation or adjusted basis  
18 under this chapter of any property disposed of during the taxable year. The Internal  
19 Revenue Code as amended to December 31, 1998, excluding sections 103, 104, and  
20 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
21 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188,  
22 and as amended by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding  
23 sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431 of P.L.  
24 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147,  
25 P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding section 109 of P.L. 108-121,

1 P.L. 108–311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108–311, and  
2 P.L. 108–357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L.  
3 108–357, and as indirectly affected in the provisions applicable to this subchapter  
4 by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179,  
5 P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L.  
6 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150  
7 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L.  
8 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
9 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L.  
10 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L.  
11 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16,  
12 excluding section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections  
13 101 and 406 of P.L. 107–147, P.L. 107–181, and P.L. 107–276, P.L. 108–121, excluding  
14 section 109 of P.L. 108–121, P.L. 108–311, excluding sections 306, 307, 308, 401, and  
15 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101, 201, 244, 336, 337,  
16 909, and 910 of P.L. 108–357, applies for Wisconsin purposes at the same time as for  
17 federal purposes. Amendments to the Internal Revenue Code enacted after  
18 December 31, 1998, do not apply to this subdivision with respect to taxable years that  
19 begin after December 31, 1998, and before January 1, 2000, except that changes to  
20 the Internal Revenue Code made by P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L.  
21 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding  
22 section 431 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and  
23 406 of P.L. 107–147, P.L. 107–181, and P.L. 107–276, P.L. 108–121, excluding section  
24 109 of P.L. 108–121, P.L. 108–311, excluding sections 306, 307, 308, 401, and 403 (a)  
25 of P.L. 108–311, and P.L. 108–357, excluding sections 101, 201, 244, 336, 337, 909,

1 and 910 of P.L. 108-357, and changes that indirectly affect the provisions applicable  
2 to this subchapter made by P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,  
3 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-16, excluding section 431  
4 of P.L. 107-16, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L.  
5 107-147, P.L. 107-181, and P.L. 107-276, P.L. 108-121, excluding section 109 of P.L.  
6 108-121, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
7 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910  
8 of P.L. 108-357, apply for Wisconsin purposes at the same time as for federal  
9 purposes.

10 \***-0302/4.41\* SECTION 1360.** 71.26 (2) (b) 15. of the statutes is amended to read:

11 71.26 (2) (b) 15. For taxable years that begin after December 31, 1999, and  
12 before January 1, 2003, for a corporation, conduit or common law trust which  
13 qualifies as a regulated investment company, real estate mortgage investment  
14 conduit, real estate investment trust or financial asset securitization investment  
15 trust under the Internal Revenue Code as amended to December 31, 1999, excluding  
16 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
17 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
18 1605 (d) of P.L. 104-188, and as amended by P.L. 106-230, P.L. 106-554, excluding  
19 sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431  
20 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding  
21 sections 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and  
22 P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.  
23 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311,  
24 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357,  
25 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as

indirectly affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, and P.L. 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L. 108–121, excluding section 109 of P.L. 108–121, P.L. 108–218, P.L. 108–311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357, “net income” means the federal regulated investment company taxable income, federal real estate mortgage investment conduit taxable income, federal real estate investment trust or financial asset securitization investment trust taxable income of the corporation, conduit or trust as determined under the Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, and as amended by P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.



1 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27,  
2 excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section  
3 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,  
4 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244,  
5 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the provisions  
6 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
7 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
8 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
9 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
10 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
11 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
12 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
13 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections  
14 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.  
15 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections  
16 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L.  
17 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.  
18 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311,  
19 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357,  
20 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, except that  
21 property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated  
22 for taxable years 1983 to 1986 under the Internal Revenue Code as amended to  
23 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
24 Code as amended to December 31, 1980, and except that the appropriate amount  
25 shall be added or subtracted to reflect differences between the depreciation or

adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 1999, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, and as amended by P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.

1 108-121, excluding section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311,  
2 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357,  
3 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, applies for  
4 Wisconsin purposes at the same time as for federal purposes. Amendments to the  
5 Internal Revenue Code enacted after December 31, 1999, do not apply to this  
6 subdivision with respect to taxable years that begin after December 31, 1999, and  
7 before January 1, 2003, except that changes to the Internal Revenue Code made by  
8 P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L.  
9 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116,  
10 P.L. 107-134, P.L. 107-147, excluding sections 101 and 406 of P.L. 107-147, P.L.  
11 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding  
12 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.  
13 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403  
14 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909,  
15 and 910 of P.L. 108-357, and changes that indirectly affect the provisions applicable  
16 to this subchapter made by P.L. 106-230, P.L. 106-554, excluding sections 162 and  
17 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16,  
18 P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding sections 101 and  
19 406 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L.  
20 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding  
21 section 109 of P.L. 108-121, P.L. 108-218, P.L. 108-311, excluding sections 306, 307,  
22 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201,  
23 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes at the same  
24 time as for federal purposes.

25 \*-0302/4.42\* SECTION 1361. 71.26 (2) (b) 16. of the statutes is amended to read:

71.26 (2) (b) 16. For taxable years that begin after December 31, 2002, and  
before January 1, 2004, for a corporation, conduit, or common law trust which  
qualifies as a regulated investment company, real estate mortgage investment  
conduit, real estate investment trust, or financial asset securitization investment  
trust under the Internal Revenue Code as amended to December 31, 2002, excluding  
sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L.  
106-573, section 431 of P.L. 107-16, and section 101 of P.L. 107-147, and as amended  
by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121,  
excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L.  
108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,  
401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244,  
336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the provisions  
applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.  
105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections  
162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L.  
107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding section 101  
of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L.

1 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding  
2 section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173,  
3 P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and  
4 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337,  
5 909, and 910 of P.L. 108-357, “net income” means the federal regulated investment  
6 company taxable income, federal real estate mortgage investment conduit taxable  
7 income, federal real estate investment trust or financial asset securitization  
8 investment trust taxable income of the corporation, conduit, or trust as determined  
9 under the Internal Revenue Code as amended to December 31, 2002, excluding  
10 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
11 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
12 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L.  
13 106-573, section 431 of P.L. 107-16, and section 101 of P.L. 107-147, and as amended  
14 by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121,  
15 excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L.  
16 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308,  
17 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244,  
18 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the provisions  
19 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647, P.L.  
20 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227,  
21 excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L.  
22 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
23 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188,  
24 excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L.  
25 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L.

105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding section 101 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall continue to be depreciated under the Internal Revenue Code as amended to December 31, 1980, and except that the appropriate amount shall be added or subtracted to reflect differences between the depreciation or adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 2002, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of P.L. 107-16, and section 101 of P.L. 107-147, and as amended by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly

1 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
2 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
3 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
4 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
5 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
6 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
7 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L.  
8 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554,  
9 excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding  
10 section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147,  
11 excluding section 101 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, and  
12 P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L.  
13 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201  
14 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306,  
15 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
16 201, 244, 336, 337, 909, and 910 of P.L. 108-357, applies for Wisconsin purposes at  
17 the same time as for federal purposes. Amendments to the Internal Revenue Code  
18 enacted after December 31, 2002, do not apply to this subdivision with respect to  
19 taxable years that begin after December 31, 2002, and before January 1, 2004,  
20 except that changes to the Internal Revenue Code made by P.L. 108-27, excluding  
21 sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L.  
22 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L.  
23 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
24 108-311, and P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910  
25 of P.L. 108-357, and changes that indirectly affect the provisions applicable to this

1 subchapter made by P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27,  
2 P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section  
3 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections  
4 306, 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections  
5 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes  
6 at the same time as for federal purposes.

7       \***-0302/4.43\*** **SECTION 1362.** 71.26 (2) (b) 17. of the statutes is created to read:

8       71.26 (2) (b) 17. For taxable years that begin after December 31, 2003, and  
9 before January 1, 2005, for a corporation, conduit, or common law trust which  
10 qualifies as a regulated investment company, real estate mortgage investment  
11 conduit, real estate investment trust, or financial asset securitization investment  
12 trust under the Internal Revenue Code as amended to December 31, 2003, excluding  
13 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
14 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
15 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L.  
16 106-573, section 431 of P.L. 107-16, section 101 of P.L. 107-147, sections 106, 201,  
17 and 202 of P.L. 108-27, section 109 of P.L. 108-121, and section 1201 of P.L. 108-173,  
18 and as amended by P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306,  
19 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201,  
20 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L. 108-476, and as indirectly  
21 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
22 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
23 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
24 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
25 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.



1 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
2 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
3 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,  
4 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding  
5 section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147,  
6 excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L.  
7 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L.  
8 108–121, excluding section 109 of P.L. 108–121, P.L. 108–173, excluding section 1201  
9 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306,  
10 307, 308, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201,  
11 244, 336, 337, 909, and 910 of P.L. 108–357, and P.L. 108–476, “net income” means  
12 the federal regulated investment company taxable income, federal real estate  
13 mortgage investment conduit taxable income, federal real estate investment trust  
14 or financial asset securitization investment trust taxable income of the corporation,  
15 conduit, or trust as determined under the Internal Revenue Code as amended to  
16 December 31, 2003, excluding sections 103, 104, and 110 of P.L. 102–227, sections  
17 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b),  
18 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 106–519, sections 162 and  
19 165 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of P.L.  
20 107–147, sections 106, 201, and 202 of P.L. 108–27, section 109 of P.L. 108–121, and  
21 section 1201 of P.L. 108–173, and as amended by P.L. 108–203, P.L. 108–218, P.L.  
22 108–311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108–311, P.L.  
23 108–357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357,  
24 and P.L. 108–476, and as indirectly affected in the provisions applicable to this  
25 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,

P.L. 101-179, P.L. 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L. 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L. 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L. 107-134, P.L. 107-147, excluding section 101 of P.L. 107-147, P.L. 107-181, P.L. 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and 202 of P.L. 108-27, P.L. 108-121, excluding section 109 of P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L. 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L. 108-476, except that property that, under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable years 1983 to 1986 under the Internal Revenue Code as amended to December 31, 1980, shall continue to be depreciated under the Internal Revenue Code as amended to December 31, 1980, and except that the appropriate amount shall be added or subtracted to reflect differences between the depreciation or adjusted basis for federal income tax purposes and the depreciation or adjusted basis under this chapter of any property disposed of during the taxable year. The Internal Revenue Code as amended to December 31, 2003, excluding sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L.

1 106–573, section 431 of P.L. 107–16, section 101 of P.L. 107–147, sections 106, 201,  
2 and 202 of P.L. 108–27, section 109 of P.L. 108–121, and section 1201 of P.L. 108–173,  
3 and as amended by P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306,  
4 307, 308, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201,  
5 244, 336, 337, 909, and 910 of P.L. 108–357, and P.L. 108–476, and as indirectly  
6 affected in the provisions applicable to this subchapter by P.L. 99–514, P.L. 100–203,  
7 P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L. 101–179, P.L. 101–239, P.L. 101–508,  
8 P.L. 102–227, excluding sections 103, 104, and 110 of P.L. 102–227, P.L. 102–318, P.L.  
9 102–486, P.L. 103–66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
10 13203 (d) of P.L. 103–66, P.L. 103–296, P.L. 103–337, P.L. 103–465, P.L. 104–7, P.L.  
11 104–188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.  
12 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
13 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,  
14 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding  
15 section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147,  
16 excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L.  
17 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L.  
18 108–121, excluding section 109 of P.L. 108–121, P.L. 108–173, excluding section 1201  
19 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306,  
20 307, 308, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201,  
21 244, 336, 337, 909, and 910 of P.L. 108–357, and P.L. 108–476, applies for Wisconsin  
22 purposes at the same time as for federal purposes. Amendments to the Internal  
23 Revenue Code enacted after December 31, 2003, do not apply to this subdivision with  
24 respect to taxable years that begin after December 31, 2003, and before January 1,  
25 2005, except that changes to the Internal Revenue Code made by P.L. 108–203, P.L.

1 108-218, P.L. 108-311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L.  
2 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of  
3 P.L. 108-357, and P.L. 108-476, and changes that indirectly affect the provisions  
4 applicable to this subchapter made by P.L. 108-203, P.L. 108-218, P.L. 108-311,  
5 excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108-311, P.L. 108-357,  
6 excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and P.L.  
7 108-476, apply for Wisconsin purposes at the same time as for federal purposes.

8 \***-0302/4.44\*** **SECTION 1363.** 71.26 (2) (b) 18. of the statutes is created to read:

9 71.26 (2) (b) 18. For taxable years that begin after December 31, 2004, for a  
10 corporation, conduit, or common law trust which qualifies as a regulated investment  
11 company, real estate mortgage investment conduit, real estate investment trust, or  
12 financial asset securitization investment trust under the Internal Revenue Code as  
13 amended to December 31, 2004, excluding sections 103, 104, and 110 of P.L. 102-227,  
14 sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, sections  
15 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104-188, sections 1, 3, 4, and  
16 5 of P.L. 106-519, sections 162 and 165 of P.L. 106-554, P.L. 106-573, section 431 of  
17 P.L. 107-16, section 101 of P.L. 107-147, sections 106, 201, and 202 of P.L. 108-27,  
18 section 1201 of P.L. 108-173, sections 306, 308, 401, and 403 (a) of P.L. 108-311, and  
19 sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly  
20 affected in the provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203,  
21 P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L. 101-239, P.L. 101-508,  
22 P.L. 102-227, excluding sections 103, 104, and 110 of P.L. 102-227, P.L. 102-318, P.L.  
23 102-486, P.L. 103-66, excluding sections 13113, 13150 (d), 13171 (d), 13174, and  
24 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L. 103-465, P.L. 104-7, P.L.  
25 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L.

1 104–188, P.L. 104–191, P.L. 104–193, P.L. 105–33, P.L. 105–34, P.L. 105–178, P.L.  
2 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–170, P.L. 106–230, P.L. 106–554,  
3 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–15, P.L. 107–16, excluding  
4 section 431 of P.L. 107–16, P.L. 107–22, P.L. 107–116, P.L. 107–134, P.L. 107–147,  
5 excluding section 101 of P.L. 107–147, P.L. 107–181, P.L. 107–210, P.L. 107–276, P.L.  
6 107–358, P.L. 108–27, excluding sections 106, 201, and 202 of P.L. 108–27, P.L.  
7 108–121, P.L. 108–173, excluding section 1201 of P.L. 108–173, P.L. 108–203, P.L.  
8 108–218, P.L. 108–311, excluding sections 306, 308, 401, and 403 (a) of P.L. 108–311,  
9 P.L. 108–357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L.  
10 108–357, and P.L. 108–476, “net income” means the federal regulated investment  
11 company taxable income, federal real estate mortgage investment conduit taxable  
12 income, federal real estate investment trust or financial asset securitization  
13 investment trust taxable income of the corporation, conduit, or trust as determined  
14 under the Internal Revenue Code as amended to December 31, 2004, excluding  
15 sections 103, 104, and 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d),  
16 13174, and 13203 (d) of P.L. 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
17 1605 (d) of P.L. 104–188, sections 1, 3, 4, and 5 of P.L. 106–519, sections 162 and 165  
18 of P.L. 106–554, P.L. 106–573, section 431 of P.L. 107–16, section 101 of P.L. 107–147,  
19 sections 106, 201, and 202 of P.L. 108–27, section 1201 of P.L. 108–173, sections 306,  
20 308, 401, and 403 (a) of P.L. 108–311, and sections 101, 201, 244, 336, 337, 909, and  
21 910 of P.L. 108–357, and as indirectly affected in the provisions applicable to this  
22 subchapter by P.L. 99–514, P.L. 100–203, P.L. 100–647, P.L. 101–73, P.L. 101–140,  
23 P.L. 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104,  
24 and 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections  
25 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.

1 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202  
2 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
3 105–33, P.L. 105–34, P.L. 105–178, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L.  
4 106–170, P.L. 106–230, P.L. 106–554, excluding sections 162 and 165 of P.L. 106–554,  
5 P.L. 107–15, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–22, P.L.  
6 107–116, P.L. 107–134, P.L. 107–147, excluding section 101 of P.L. 107–147, P.L.  
7 107–181, P.L. 107–210, P.L. 107–276, P.L. 107–358, P.L. 108–27, excluding sections  
8 106, 201, and 202 of P.L. 108–27, P.L. 108–121, P.L. 108–173, excluding section 1201  
9 of P.L. 108–173, P.L. 108–203, P.L. 108–218, P.L. 108–311, excluding sections 306,  
10 308, 401, and 403 (a) of P.L. 108–311, P.L. 108–357, excluding sections 101, 201, 244,  
11 336, 337, 909, and 910 of P.L. 108–357, and P.L. 108–476, except that property that,  
12 under s. 71.02 (1) (c) 8. to 11., 1985 stats., is required to be depreciated for taxable  
13 years 1983 to 1986 under the Internal Revenue Code as amended to  
14 December 31, 1980, shall continue to be depreciated under the Internal Revenue  
15 Code as amended to December 31, 1980, and except that the appropriate amount  
16 shall be added or subtracted to reflect differences between the depreciation or  
17 adjusted basis for federal income tax purposes and the depreciation or adjusted basis  
18 under this chapter of any property disposed of during the taxable year. The Internal  
19 Revenue Code as amended to December 31, 2004, excluding sections 103, 104, and  
20 110 of P.L. 102–227, sections 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L.  
21 103–66, sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188,  
22 sections 1, 3, 4, and 5 of P.L. 106–519, sections 162 and 165 of P.L. 106–554, P.L.  
23 106–573, section 431 of P.L. 107–16, section 101 of P.L. 107–147, sections 106, 201,  
24 and 202 of P.L. 108–27, section 1201 of P.L. 108–173, sections 306, 308, 401, and 403  
25 (a) of P.L. 108–311, and sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357,

1 and as indirectly affected in the provisions applicable to this subchapter by P.L.  
2 99-514, P.L. 100-203, P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
3 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.  
4 102-227, P.L. 102-318, P.L. 102-486, P.L. 103-66, excluding sections 13113, 13150  
5 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103-66, P.L. 103-296, P.L. 103-337, P.L.  
6 103-465, P.L. 104-7, P.L. 104-188, excluding sections 1123 (b), 1202 (c), 1204 (f),  
7 1311, and 1605 (d) of P.L. 104-188, P.L. 104-191, P.L. 104-193, P.L. 105-33, P.L.  
8 105-34, P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-170, P.L.  
9 106-230, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554, P.L. 107-15,  
10 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-22, P.L. 107-116, P.L.  
11 107-134, P.L. 107-147, excluding section 101 of P.L. 107-147, P.L. 107-181, P.L.  
12 107-210, P.L. 107-276, P.L. 107-358, P.L. 108-27, excluding sections 106, 201, and  
13 202 of P.L. 108-27, P.L. 108-121, P.L. 108-173, excluding section 1201 of P.L.  
14 108-173, P.L. 108-203, P.L. 108-218, P.L. 108-311, excluding sections 306, 308, 401,  
15 and 403 (a) of P.L. 108-311, P.L. 108-357, excluding sections 101, 201, 244, 336, 337,  
16 909, and 910 of P.L. 108-357, and P.L. 108-476, applies for Wisconsin purposes at the  
17 same time as for federal purposes. Amendments to the Internal Revenue Code  
18 enacted after December 31, 2004, do not apply to this subdivision with respect to  
19 taxable years that begin after December 31, 2004.

20 \*~~0404/4.109~~\* SECTION 1364. 71.28 (1dd) (a) 1. of the statutes is amended to  
21 read:

22 71.28 (1dd) (a) 1. "Day care center benefits" means benefits provided at a day  
23 care facility that is licensed under s. ~~48.65 or 48.69~~ 49.98 or 49.99 and that for  
24 compensation provides care for at least 6 children or benefits provided at a facility  
25 for persons who are physically or mentally incapable of caring for themselves.

1           \***-0402/5.4\* SECTION 1365.** 71.28 (1di) (b) 1. of the statutes is repealed.

2           \***-0402/7.6\*SECTION 1366.** 71.28 (1dL) (c) 1. of the statutes is repealed.

3           \***-0402/8\*SECTION 1367.** 71.28 (1dL) (c) 2. of the statutes is renumbered 71.28  
4 (1dL) (c).

5           \***-0402/8\*SECTION 1368.** 71.28 (1dL) (d) of the statutes is amended to read:

6           71.28 (1dL) (d) Except as provided in par. (c) 2., the carry-over provisions of  
7 sub. (4) (e) and (f) as they relate to the credit under that subsection relate to the credit  
8 under this subsection and apply as if the development zone continued to exist.

9           \***-0402/5.5\* SECTION 1369.** 71.28 (1dm) (hm) of the statutes is amended to  
10 read:

11           71.28 (1dm) (hm) ~~Credits claimed~~ A claimant may claim the credit under this  
12 subsection, including any credits carried over, ~~may be offset only~~ against the amount  
13 of the tax otherwise due under this subchapter ~~attributable to income from the~~  
14 ~~business operations of the claimant in the development zone; except that a claimant~~  
15 ~~in a development zone under s. 560.795 (1) (e) may offset credits, including any~~  
16 ~~credits carried over, against the amount of the tax otherwise due under this~~  
17 ~~subchapter attributable to all of the claimant's income; and against the tax~~  
18 ~~attributable to income from directly related business operations of the claimant.~~

19           \***-0403/2.2\* SECTION 1370.** 71.28 (1dx) (a) 5. of the statutes is amended to read:

20           71.28 (1dx) (a) 5. "Member of a targeted group" means a person who resides  
21 in an empowerment zone, ~~or an enterprise community, that the U.S. government~~  
22 ~~designates~~ area designated by the federal government as an economic revitalization  
23 area, a person who is employed in an unsubsidized job but meets the eligibility  
24 requirements under s. 49.145 (2) and (3) for a Wisconsin ~~works~~ Works employment  
25 position, a person who is employed in a trial job, as defined in s. 49.141 (1) (n), a



1 person who is eligible for child care assistance under s. 49.155, a person who is a  
2 vocational rehabilitation referral, an economically disadvantaged youth, an  
3 economically disadvantaged veteran, a supplemental security income recipient, a  
4 general assistance recipient, an economically disadvantaged ex-convict, a qualified  
5 summer youth employee, as defined in 26 USC 51 (d) (7), a dislocated worker, as  
6 defined in 29 USC 2801 (9), or a food stamp recipient, if the person has been certified  
7 in the manner under sub. (1dj) (am) 3. by a designated local agency, as defined in sub.  
8 (1dj) (am) 2.

9 \*–0402/5.6\* SECTION 1371. 71.28 (1dx) (b) (intro.) of the statutes is amended  
10 to read:

11 71.28 (1dx) (b) *Credit.* (intro.) Except as provided in pars. (be) and (bg) and  
12 in s. 73.03 (35), and subject to s. 560.785, for any taxable year for which the person  
13 is entitled under s. 560.795 (3) to claim tax benefits or certified under s. 560.765 (3),  
14 560.797 (4) or 560.798 (3), any person may claim as a credit against the taxes imposed  
15 ~~on the person's income from the person's business activities in a development zone~~  
16 otherwise due under this chapter the following amounts:

17 \*–0335/2.7\* SECTION 1372. 71.28 (1dx) (b) 2. of the statutes is amended to read:

18 71.28 (1dx) (b) 2. The amount determined by multiplying the amount  
19 determined under s. 560.785 (1) (b) by the number of full-time jobs created in a  
20 development zone and filled by a member of a targeted group and by then subtracting  
21 the subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid  
22 under s. 49.147 (3) (d) 5. for those jobs.

23 \*–0335/2.8\* SECTION 1373. 71.28 (1dx) (b) 3. of the statutes is amended to read:

24 71.28 (1dx) (b) 3. The amount determined by multiplying the amount  
25 determined under s. 560.785 (1) (c) by the number of full-time jobs created in a

1 development zone and not filled by a member of a targeted group and by then  
2 subtracting the subsidies paid under s. 49.147 (3) (a) or the subsidies and  
3 reimbursements paid under s. 49.147 (3) (d) 5. for those jobs.

4 \*–0335/2.9\* SECTION 1374. 71.28 (1dx) (b) 4. of the statutes is amended to read:

5 71.28 (1dx) (b) 4. The amount determined by multiplying the amount  
6 determined under s. 560.785 (1) (bm) by the number of full-time jobs retained, as  
7 provided in the rules under s. 560.785, excluding jobs for which a credit has been  
8 claimed under sub. (1dj), in an enterprise development zone under s. 560.797 and for  
9 which significant capital investment was made and by then subtracting the  
10 subsidies paid under s. 49.147 (3) (a) or the subsidies and reimbursements paid  
11 under s. 49.147 (3) (d) 5. for those jobs.

12 \*–0335/2.10\* SECTION 1375. 71.28 (1dx) (b) 5. of the statutes is amended to  
13 read:

14 71.28 (1dx) (b) 5. The amount determined by multiplying the amount  
15 determined under s. 560.785 (1) (c) by the number of full-time jobs retained, as  
16 provided in the rules under s. 560.785, excluding jobs for which a credit has been  
17 claimed under sub. (1dj), in a development zone and not filled by a member of a  
18 targeted group and by then subtracting the subsidies paid under s. 49.147 (3) (a) or  
19 the subsidies and reimbursements paid under s. 49.147 (3) (d) 5. for those jobs.

20 \*–1656/3.39\* SECTION 1376. 71.28 (2m) (a) 1. b. of the statutes is amended to  
21 read:

22 71.28 (2m) (a) 1. b. For partnerships, except publicly traded partnerships  
23 treated as corporations under s. 71.22 (1) (1k), or limited liability companies, except  
24 limited liability companies treated as corporations under s. 71.22 (1) (1k), “claimant”  
25 means each individual partner or member.

1           \*–1245/2.7\* SECTION 1377. 71.28 (3n) (title) of the statutes is amended to read:

2           71.28 (3n) (title) ~~DAIRY~~ LIVESTOCK FARM INVESTMENT CREDIT.

3           \*–1245/2.8\* SECTION 1378. 71.28 (3n) (a) 1m. of the statutes is repealed.

4           \*–1245/2.9\* SECTION 1379. 71.28 (3n) (a) 1n. of the statutes is created to read:

5           71.28 (3n) (a) 1n. “Livestock” means domestic animals used in this state in the  
6           production of food, fiber, or other animal products and includes bovine animals,  
7           swine, poultry, fish, sheep, and goats. “Livestock” does not include equine animals,  
8           deer, ratites, camelidae, or mink.

9           \*–1245/2.10\* SECTION 1380. 71.28 (3n) (a) 1p. of the statutes is repealed.

10          \*–1245/2.11\* SECTION 1381. 71.28 (3n) (a) 2. (intro.) of the statutes is amended  
11          to read:

12          71.28 (3n) (a) 2. (intro.) ~~“Dairy~~ “Livestock farm modernization or expansion”  
13          means the construction, the improvement, or the acquisition of buildings or facilities,  
14          or acquiring equipment, for ~~dairy animal~~ livestock housing, livestock confinement,  
15          ~~animal~~ livestock feeding, milk production, or waste management, including the  
16          following, if used exclusively related to ~~dairy animals~~ livestock:

17          \*–1245/2.12\* SECTION 1382. 71.28 (3n) (b) of the statutes is amended to read:

18          71.28 (3n) (b) Subject to the limitations provided in this subsection, for taxable  
19          years that begin after December 31, 2003, and before January 1, 2010, a claimant  
20          may claim as a credit against the tax imposed under s. 71.23 an amount equal to 10%  
21          of the amount the claimant paid in the taxable year for ~~dairy~~ livestock farm  
22          modernization or expansion related to the operation of the claimant’s ~~dairy~~ livestock  
23          farm.

24          \*–1656/3.40\* SECTION 1383. 71.28 (4) (a) of the statutes is amended to read:

1           71.28 (4) (a) *Credit*. Any corporation may credit against taxes otherwise due  
2 under this chapter an amount equal to 5% of the amount obtained by subtracting  
3 from the corporation's qualified research expenses, as defined in section 41 of the  
4 internal revenue code, except that "qualified research expenses" includes only  
5 expenses incurred by the claimant, incurred for research conducted in this state for  
6 the taxable year, except that a taxpayer may elect the alternative computation under  
7 section 41 (c) (4) of the Internal Revenue Code and that election applies until the  
8 department permits its revocation and except that "qualified research expenses"  
9 does not include compensation used in computing the credit under subs. (1dj) and  
10 (1dx), the corporation's base amount, as defined in section 41 (c) of the internal  
11 revenue code, except that gross receipts used in calculating the base amount means  
12 gross receipts from sales attributable to Wisconsin under s. 71.25 (9) (b) 1. and 2. and  
13 (d), (db), (dd), (df), (dg), (dh), and (dm). Section 41 (h) of the internal revenue code  
14 does not apply to the credit under this paragraph.

15           \*-1656/3.41\* SECTION 1384. 71.28 (4) (am) 1. of the statutes is amended to  
16 read:

17           71.28 (4) (am) 1. In addition to the credit under par. (a), any corporation may  
18 credit against taxes otherwise due under this chapter an amount equal to 5% of the  
19 amount obtained by subtracting from the corporation's qualified research expenses,  
20 as defined in section 41 of the internal revenue code, except that "qualified research  
21 expenses" include only expenses incurred by the claimant in a development zone  
22 under subch. VI of ch. 560, except that a taxpayer may elect the alternative  
23 computation under section 41 (c) (4) of the Internal Revenue Code and that election  
24 applies until the department permits its revocation and except that "qualified  
25 research expenses" do not include compensation used in computing the credit under

1 sub. (1dj) nor research expenses incurred before the claimant is certified for tax  
2 benefits under s. 560.765 (3), the corporation's base amount, as defined in section 41  
3 (c) of the internal revenue code, in a development zone, except that gross receipts  
4 used in calculating the base amount means gross receipts from sales attributable to  
5 Wisconsin under s. 71.25 (9) (b) 1. and 2. ~~and (d), (db), (dd), (df), (dg), (dh), and (dm)~~  
6 and research expenses used in calculating the base amount include research  
7 expenses incurred before the claimant is certified for tax benefits under s. 560.765  
8 (3), in a development zone, if the claimant submits with the claimant's return a copy  
9 of the claimant's certification for tax benefits under s. 560.765 (3) and a statement  
10 from the department of commerce verifying the claimant's qualified research  
11 expenses for research conducted exclusively in a development zone. The rules under  
12 s. 73.03 (35) apply to the credit under this subdivision. The rules under sub. (1di)  
13 (f) and (g) as they apply to the credit under that subsection apply to claims under this  
14 subdivision. Section 41 (h) of the internal revenue code does not apply to the credit  
15 under this subdivision.

16 \*–1656/3.42\* SECTION 1385. 71.28 (4) (i) of the statutes is amended to read:

17 71.28 (4) (i) *Nonclaimants.* The credits under this subsection may not be  
18 claimed by a partnership, except a publicly traded partnership treated as a  
19 corporation under s. 71.22 (1) (1k), limited liability company, except a limited  
20 liability company treated as a corporation under s. 71.22 (1) (1k), or tax-option  
21 corporation or by partners, including partners of a publicly traded partnership,  
22 members of a limited liability company or shareholders of a tax-option corporation.

23 \*–0341/3.1\* SECTION 1386. 71.30 (11) of the statutes is created to read:

24 71.30 (11) VETERANS TRUST FUND. (a) *Definitions.* In this subsection, "veterans  
25 trust fund" means the fund under s. 25.36.

1 (b) *Voluntary payments.* 1. 'Designation on return.' A corporation filing an  
2 income or franchise tax return may designate on the return any amount of additional  
3 payment or any amount of a refund that is due the corporation as a donation to the  
4 veterans trust fund to be used for veterans programs under s. 25.36 (1).

5 2. 'Designation added to tax owed.' If the corporation owes any tax, the  
6 corporation shall remit in full the tax due and the amount designated on the return  
7 as a donation to the veterans trust fund when the corporation files a tax return.

8 3. 'Designation deducted from refund.' Except as provided under par. (d), and  
9 subject to ss. 71.75 (9) and 71.80 (3), if the corporation is owed a refund, the  
10 department shall deduct the amount designated on the return as a donation to the  
11 veterans trust fund from the amount of the refund.

12 (c) *Errors; failure to remit correct amount.* 1. 'Reduced designation.' If a  
13 corporation remits an amount that exceeds the tax due, after error corrections, but  
14 that is less than the total of the tax due, after error corrections, and the amount  
15 designated by the corporation on the return as a donation to the veterans trust fund,  
16 the department shall reduce the designation to reflect the amount remitted that  
17 exceeds the tax due, after error corrections.

18 2. 'Void designation.' The designation for a donation to the veterans trust fund  
19 is void if the corporation remits an amount equal to or less than the tax due, after  
20 error corrections.

21 (d) *Errors; insufficient refund.* If a corporation is owed a refund that is less than  
22 the amount designated on the return as a donation to the veterans trust fund, after  
23 attachment and crediting under ss. 71.75 (9) and 71.80 (3) and after error corrections,  
24 the department shall reduce the designation to reflect the actual amount of the  
25 refund the corporation is otherwise owed.

1 (e) *Conditions.* If a corporation places any conditions on a designation for a  
2 donation to the veterans trust fund, the designation is void.

3 (f) *Void designation.* If a designation for a donation to the veterans trust fund  
4 is void, the department shall disregard the designation and determine the amounts  
5 due, owed, refunded, and received.

6 (g) *Tax return.* The secretary of revenue shall provide a place for the  
7 designations under this subsection on the corporate income and franchise tax  
8 returns and the secretary shall highlight that place on the returns by a symbol  
9 chosen by the department of veterans affairs that relates to veterans.

10 (h) *Certification of amounts.* Annually, on or before September 15, the  
11 secretary of revenue shall certify to the department of veterans affairs and the  
12 department of administration:

13 1. The total amount of the administrative costs, including data processing  
14 costs, incurred by the department of revenue in administering this subsection during  
15 the previous fiscal year.

16 2. The total amount received from all designations to the veterans trust fund  
17 under this subsection made by corporations during the previous fiscal year.

18 3. The net amount remaining after the administrative costs under subd. 1. are  
19 subtracted from the total received under subd. 2.

20 (i) *Appropriations.* From the moneys received from designations to the  
21 veterans trust fund under this subsection, an amount equal to the sum of  
22 administrative expenses certified under par. (h) 1. shall be deposited into the general  
23 fund and credited to the appropriation under s. 20.566 (1) (hp), and the net amount  
24 remaining certified under par. (h) 3. shall be deposited into the veterans trust fund  
25 and used for the veterans programs under s. 25.36 (1).

1 (j) *Refunds*. An amount designated as a donation to the veterans trust fund  
2 under this subsection is not subject to refund to a corporation that designates the  
3 donation unless the corporation submits information to the satisfaction of the  
4 department within 18 months from the date that taxes are due from the corporation  
5 or from the date that the corporation filed the return, whichever is later, that the  
6 amount designated is clearly in error. A refund granted by the department under  
7 this paragraph shall be deducted from the moneys received under this subsection in  
8 the fiscal year that the refund is certified under 71.75 (7).

9 \*-0302/4.45\* SECTION 1387. 71.34 (1g) (j) of the statutes is repealed.

10 \*-0302/4.46\* SECTION 1388. 71.34 (1g) (k) of the statutes is repealed.

11 \*-0302/4.47\* SECTION 1389. 71.34 (1g) (L) of the statutes is amended to read:

12 71.34 (1g) (L) "Internal Revenue Code" for tax-option corporations, for taxable  
13 years that begin after December 31, 1996, and before January 1, 1998, means the  
14 federal Internal Revenue Code as amended to December 31, 1996, excluding  
15 sections 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d),  
16 13174, and 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and  
17 1605 (d) of P.L. 104-188, and as amended by P.L. 105-33, P.L. 105-34, P.L. 105-206,  
18 P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of P.L.  
19 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
20 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
21 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
22 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
23 201, 244, 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the  
24 provisions applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647  
25 excluding sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2)



1 of P.L. 99–514 and section 1008 (g) (5) of P.L. 100–647, P.L. 101–73, P.L. 101–140, P.L.  
2 101–179, P.L. 101–239, P.L. 101–508, P.L. 102–227, excluding sections 103, 104, and  
3 110 of P.L. 102–227, P.L. 102–318, P.L. 102–486, P.L. 103–66, excluding sections  
4 13113, 13150 (d), 13171 (d), 13174, and 13203 (d) of P.L. 103–66, P.L. 103–296, P.L.  
5 103–337, P.L. 103–465, P.L. 104–7, P.L. 104–188, excluding sections 1123 (b), 1202  
6 (c), 1204 (f), 1311, and 1605 (d) of P.L. 104–188, P.L. 104–191, P.L. 104–193, P.L.  
7 105–33, P.L. 105–34, P.L. 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554,  
8 excluding sections 162 and 165 of P.L. 106–554, P.L. 107–16, excluding section 431  
9 of P.L. 107–16, P.L. 107–134, P.L. 107–147, excluding sections 101 and 406 of P.L.  
10 107–147, and P.L. 107–181, P.L. 108–121, excluding section 109 of P.L. 108–121, P.L.  
11 108–311, excluding sections 306, 307, 308, 401, and 403 (a) of P.L. 108–311, and P.L.  
12 108–357, excluding sections 101, 201, 244, 336, 337, 909, and 910 of P.L. 108–357,  
13 except that section 1366 (f) (relating to pass-through of items to shareholders) is  
14 modified by substituting the tax under s. 71.35 for the taxes under sections 1374 and  
15 1375. The Internal Revenue Code applies for Wisconsin purposes at the same time  
16 as for federal purposes. Amendments to the federal Internal Revenue Code enacted  
17 after December 31, 1996, do not apply to this paragraph with respect to taxable years  
18 beginning after December 31, 1996, and before January 1, 1998, except that  
19 changes to the Internal Revenue Code made by P.L. 105–33, P.L. 105–34, P.L.  
20 105–206, P.L. 105–277, P.L. 106–36, P.L. 106–554, excluding sections 162 and 165 of  
21 P.L. 106–554, P.L. 107–16, excluding section 431 of P.L. 107–16, P.L. 107–134, P.L.  
22 107–147, excluding sections 101 and 406 of P.L. 107–147, and P.L. 107–181, P.L.  
23 108–121, excluding section 109 of P.L. 108–121, P.L. 108–311, excluding sections 306,  
24 307, 308, 401, and 403 (a) of P.L. 108–311, and P.L. 108–357, excluding sections 101,  
25 201, 244, 336, 337, 909, and 910 of P.L. 108–357, and changes that indirectly affect

1 the provisions applicable to this subchapter made by P.L. 105-33, P.L. 105-34, P.L.  
2 105-206, P.L. 105-277, P.L. 106-36, P.L. 106-554, excluding sections 162 and 165 of  
3 P.L. 106-554, P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L.  
4 107-147, excluding sections 101 and 406 of P.L. 107-147, and P.L. 107-181, P.L.  
5 108-121, excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306,  
6 307, 308, 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101,  
7 201, 244, 336, 337, 909, and 910 of P.L. 108-357, apply for Wisconsin purposes at the  
8 same time as for federal purposes.

9 \***-0302/4.48\* SECTION 1390.** 71.34 (1g) (m) of the statutes is amended to read:

10 71.34 (1g) (m) "Internal Revenue Code" for tax-option corporations, for taxable  
11 years that begin after December 31, 1997, and before January 1, 1999, means the  
12 federal Internal Revenue Code as amended to December 31, 1997, excluding sections  
13 103, 104, and 110 of P.L. 102-227, sections 13113, 13150 (d), 13171 (d), 13174, and  
14 13203 (d) of P.L. 103-66 and sections 1123 (b), 1202 (c), 1204 (f), 1311, and 1605 (d)  
15 of P.L. 104-188, and as amended by P.L. 105-178, P.L. 105-206, P.L. 105-277, P.L.  
16 106-36, P.L. 106-170, P.L. 106-554, excluding sections 162 and 165 of P.L. 106-554,  
17 P.L. 107-16, excluding section 431 of P.L. 107-16, P.L. 107-134, P.L. 107-147,  
18 excluding sections 101 and 406 of P.L. 107-147, P.L. and 107-181, P.L. 108-121,  
19 excluding section 109 of P.L. 108-121, P.L. 108-311, excluding sections 306, 307, 308,  
20 401, and 403 (a) of P.L. 108-311, and P.L. 108-357, excluding sections 101, 201, 244,  
21 336, 337, 909, and 910 of P.L. 108-357, and as indirectly affected in the provisions  
22 applicable to this subchapter by P.L. 99-514, P.L. 100-203, P.L. 100-647 excluding  
23 sections 803 (d) (2) (B), 805 (d) (2), 812 (c) (2), 821 (b) (2), and 823 (c) (2) of P.L. 99-514  
24 and section 1008 (g) (5) of P.L. 100-647, P.L. 101-73, P.L. 101-140, P.L. 101-179, P.L.  
25 101-239, P.L. 101-508, P.L. 102-227, excluding sections 103, 104, and 110 of P.L.